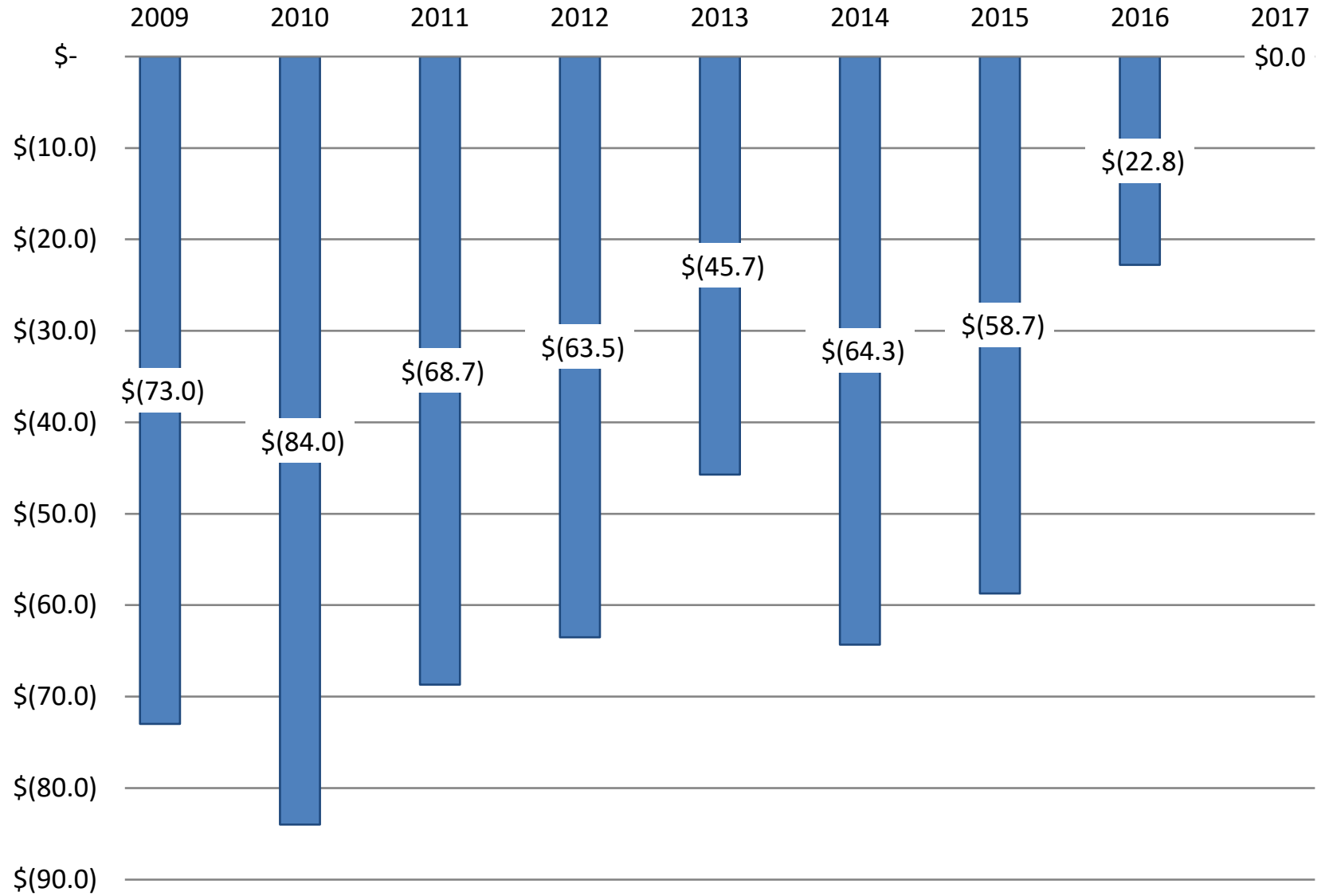


Central Budget Deficit History & Projection

(millions)



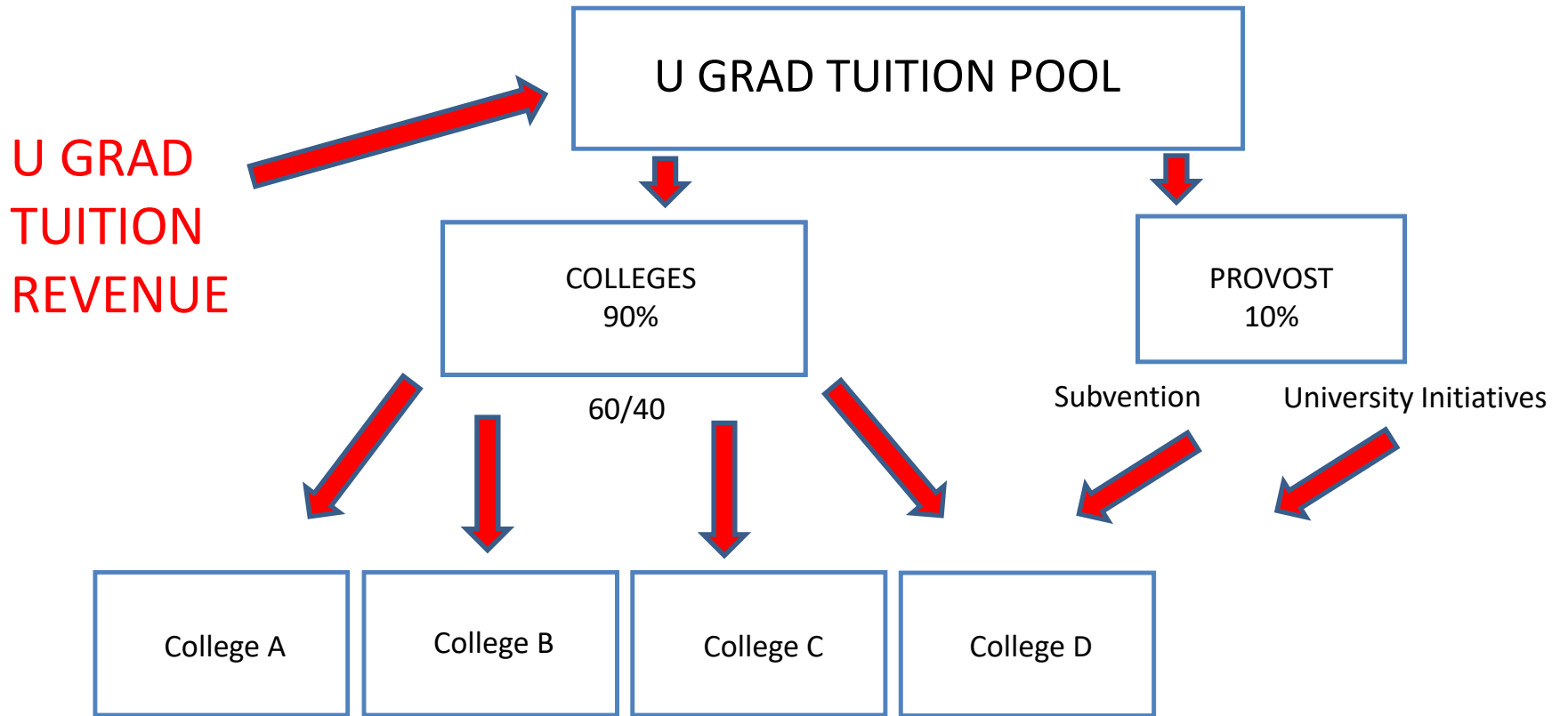
Central Budget Reduction - FY16 & FY17

FY16 Actions (Provosts Fuchs/Katz)

- | | <u>Value</u> |
|--|--------------|
| <ul style="list-style-type: none"> • Assigned Budget Reductions <ul style="list-style-type: none"> ○ Colleges – 1.7% average ○ Central Administration – 2% | \$20.1M |
| <ul style="list-style-type: none"> • Revenue Capture <ul style="list-style-type: none"> ○ Reduced Provost Support based on projected net revenue growth | \$20.2M |

FY17 Actions (Provost Kotlikoff)

- | | |
|---|----------|
| <ul style="list-style-type: none"> • Shifted costs from USP funding to Allocated Cost Model and adjusted subvention to “net zero” position by based on actual financial results and projected net revenue growth | \$18.4 M |
| <ul style="list-style-type: none"> • Central Administration funding held flat – required to self-fund salary improvement program | \$6.5M |



Undergraduate Tuition Distribution

FY14 Initial Model Rollout

- 25% Enrollment ; 75% Teaching

FY15 and FY16

- 40% Enrollment ; 60% Teaching

Note: Subvention adjusted to offset impact.

FY17 and FY18

- 40% Enrollment ; 60% Teaching
- Teaching %'s by College Frozen at FY16 Level

“Unfrozen” Teaching Distribution Metrics

Actual ("Unfrozen") Teaching Distribution Metrics
(6 semester average - course enrollments & credit hours)

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Agriculture & Life Sciences	19.97%	20.79%	21.08%	21.06%	20.48%
Architecture, Art & Planning	2.80%	2.80%	2.71%	2.67%	2.58%
Arts & Sciences	41.47%	39.90%	38.70%	37.32%	37.46%
Computing & Information Science	3.93%	4.50%	5.21%	5.66%	6.28%
Engineering	11.03%	11.41%	11.74%	12.31%	11.98%
Hotel Administration	7.11%	7.24%	7.43%	7.61%	7.73%
Human Ecology	6.78%	6.64%	6.40%	6.51%	6.47%
Industrial & Labor Relations	4.13%	4.28%	4.63%	5.03%	5.16%
Johnson	0.60%	0.57%	0.53%	0.53%	0.58%
Law	0.22%	0.22%	0.25%	0.32%	0.37%
Veterinary Medicine	0.72%	0.68%	0.65%	0.64%	0.63%
Cornell in Washington	0.16%	0.17%	0.16%	0.18%	0.15%
<i>No Primary Instructor</i>	<u>1.07%</u>	<u>0.80%</u>	<u>0.51%</u>	<u>0.17%</u>	<u>0.13%</u>
TOTAL COLLEGES	100.00%	100.00%	100.00%	100.00%	100.00%

UNFREEZING OPTIONS

1. Unfreeze and adjust subvention (does not respond to changes in student demand)
2. Unfreeze and don't adjust subvention (incentive to capture students)
3. Move to a hybrid system of funding to colleges with some base funding and some activity –dependent funding (balance of both negatives)